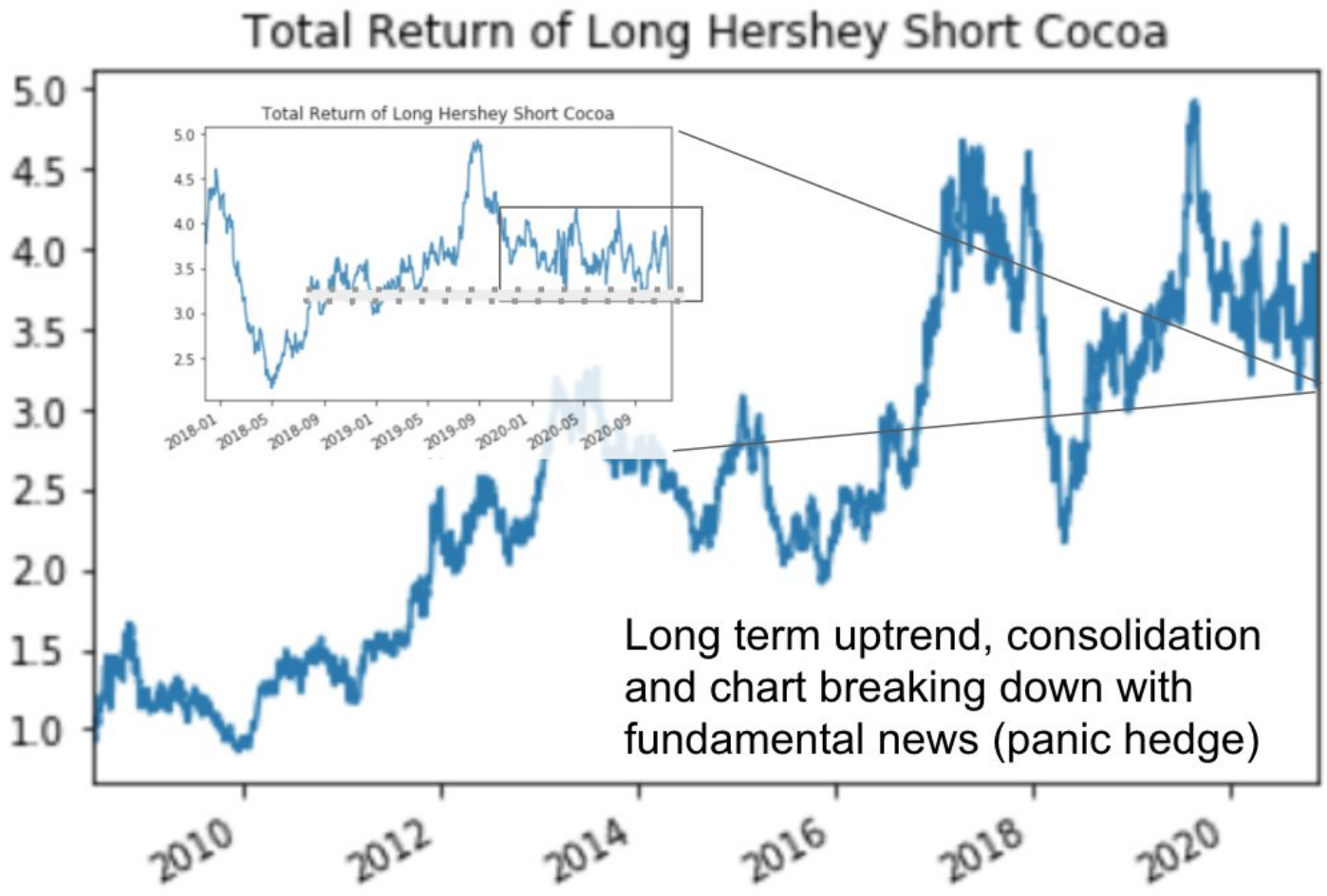
Twitter Thread by Alex Good

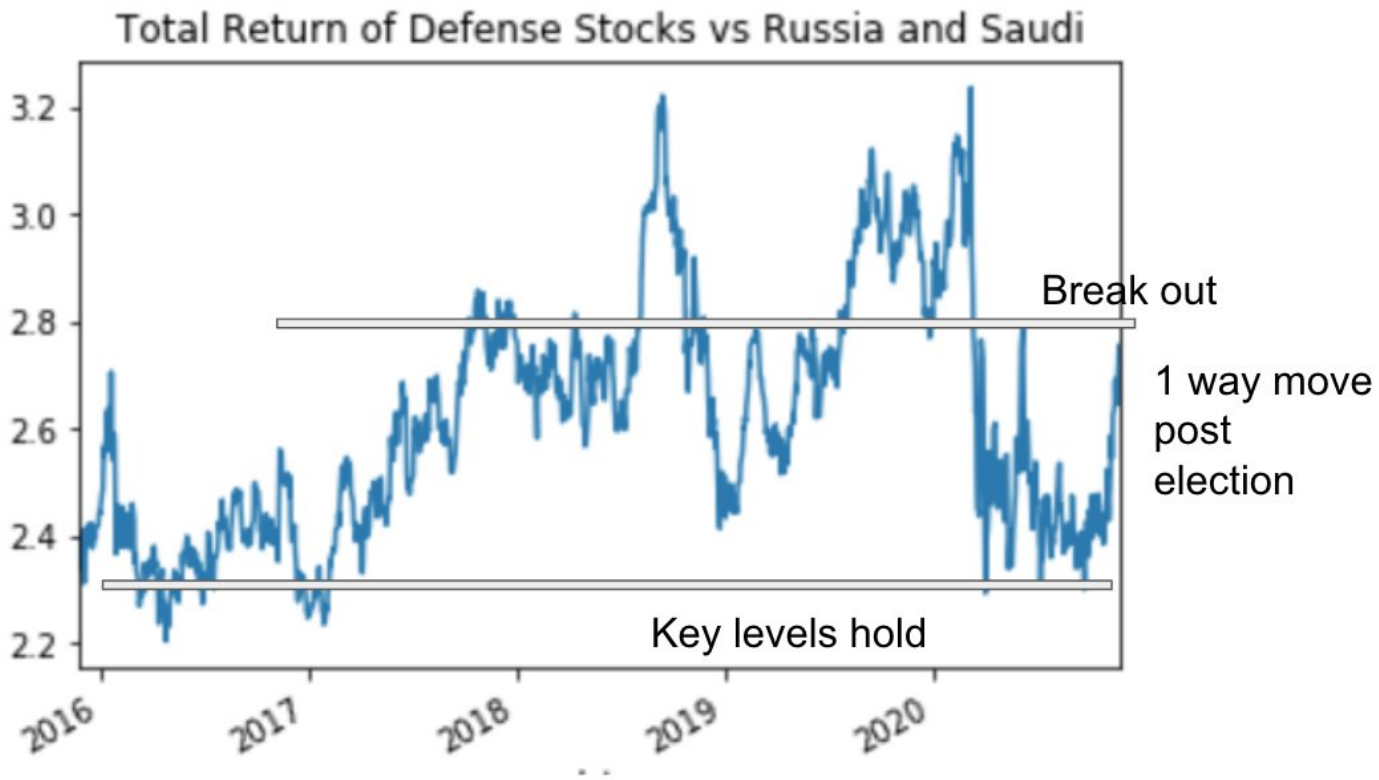
Alex Good
@goodalexander

Many people on FinTwit incorrectly invoke Soros to justify buying TSLA or other trends at the highs. Soros preferred being early, having a trend, a misconception, a change of fundamentals and some early confirmation in price. Here are 7 examples I have on right now. A thread:

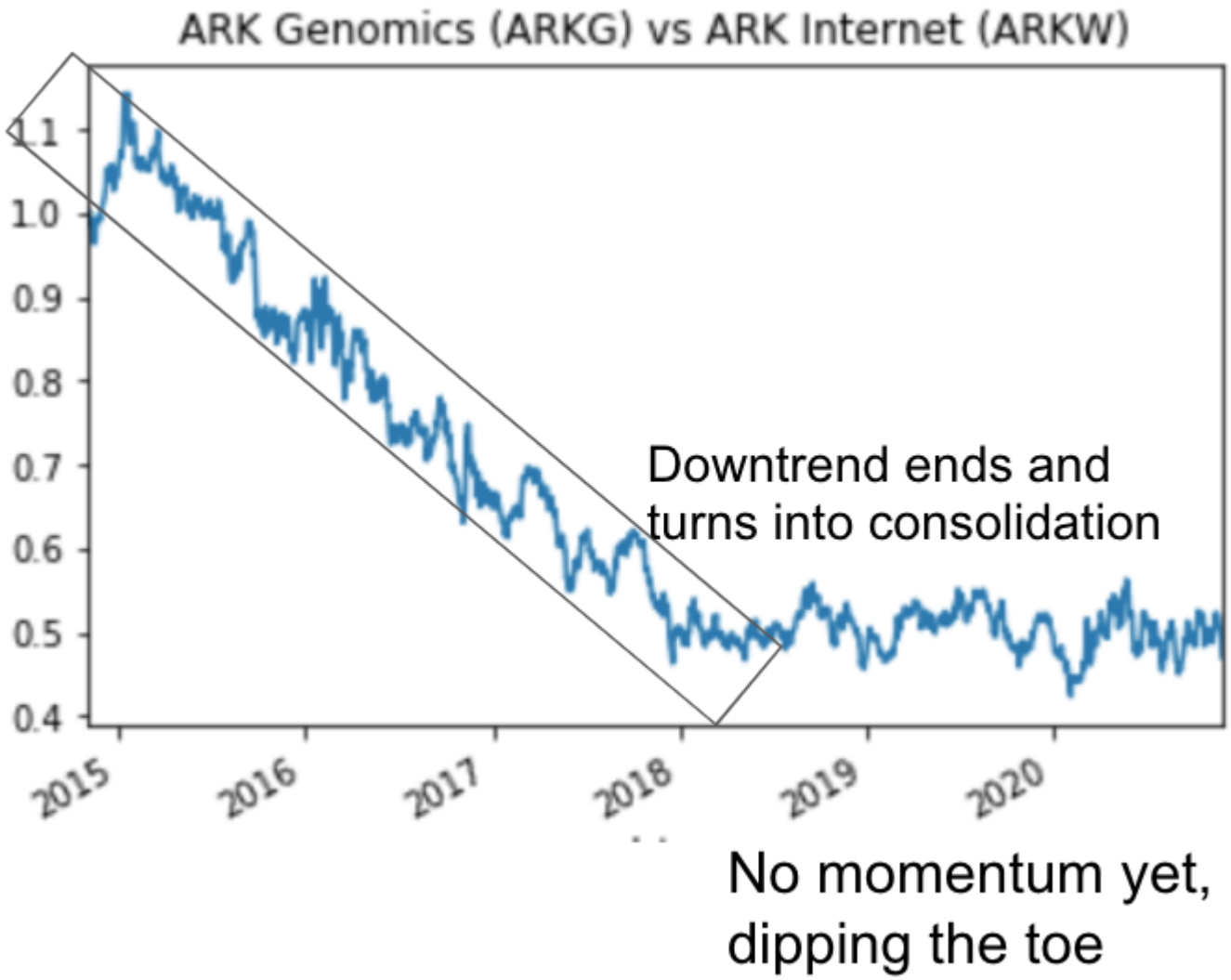
1/ The trend: climate change & growing Chinese wealth. The misconception: agriculture prices will always go down due to improved crop productivity. The Shock: Locust plague in Africa & water scarcity. The Trade: Long Cocoa Futures versus Hershey. The Confirmation:



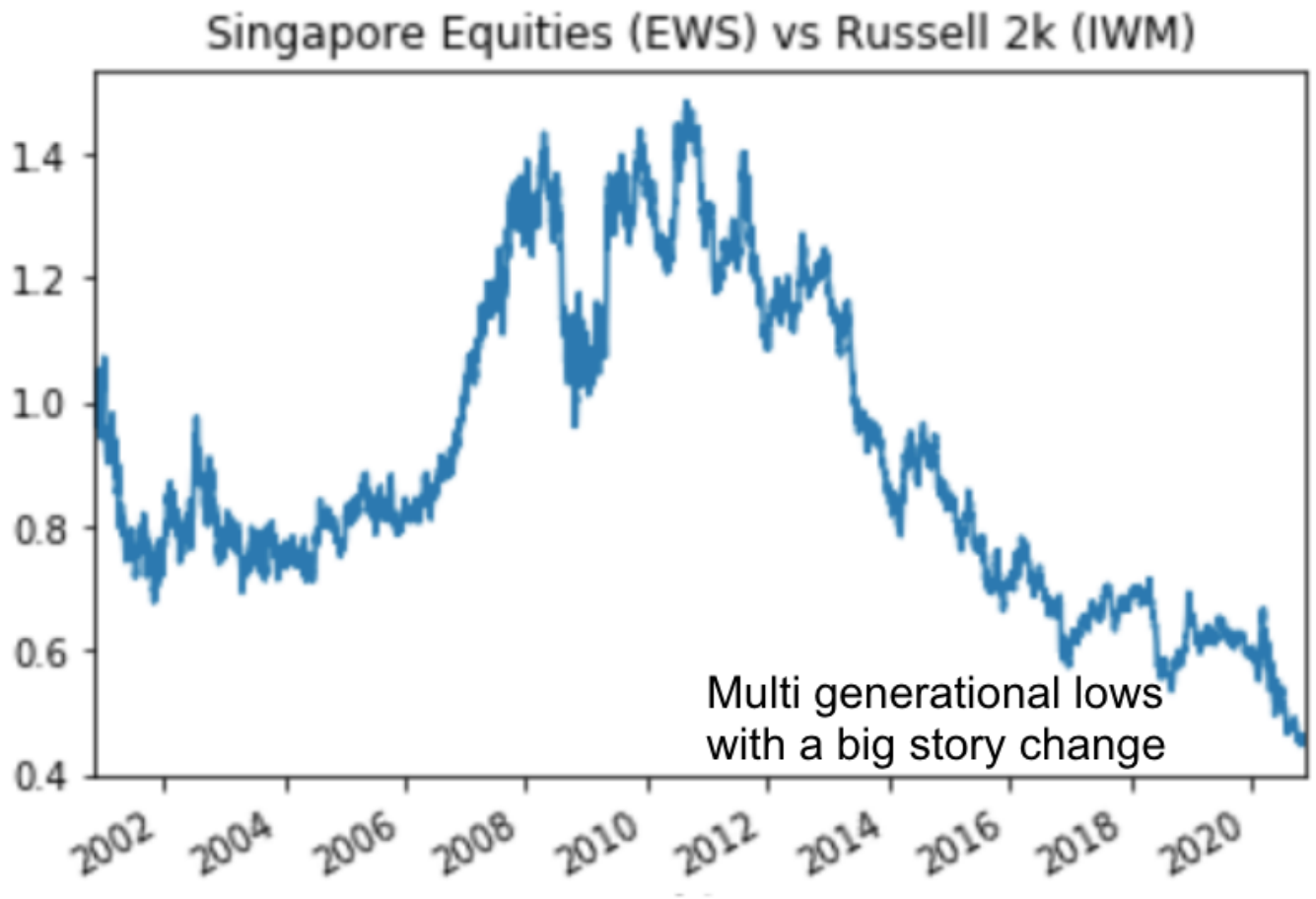
2/ The trend: nationalism and Realpolitik. The misconception: ESG investing will halt investment in defense stocks. The Middle East is calming. The shock: Biden engaging with Taiwan. Kamala saying Assad needs to go. The trade: Defense stocks vs Russia and Saudi. The confirmation:



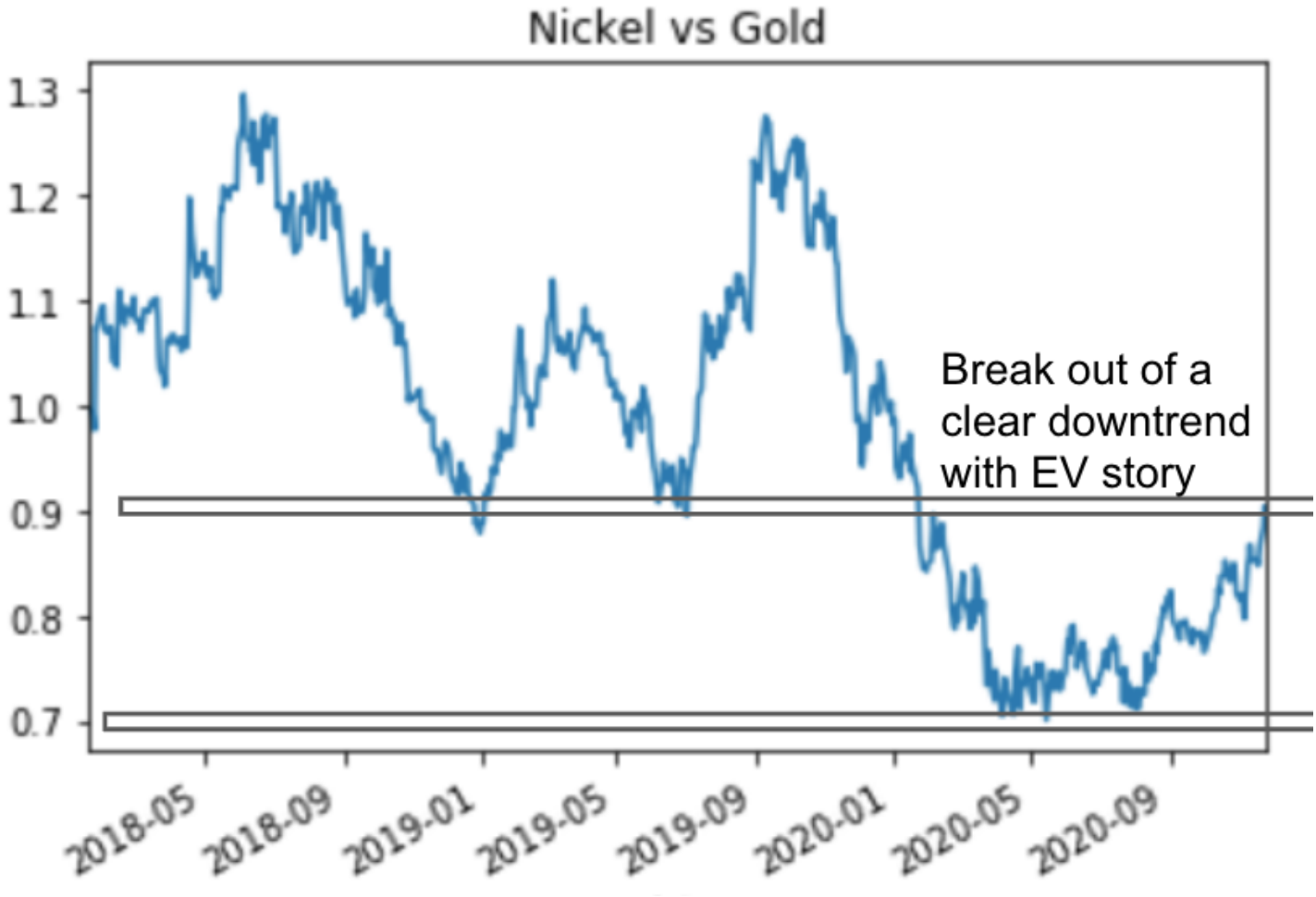
3/ The trend: state run markets. The misconception: the government will flex its muscles to benefit cloud, internet, and social media more than the genome sector. The shock: Moderna and Pfizer solving a $5 trillion+ problem with gene editing. The trade: ARKG vs ARKW. The chart:



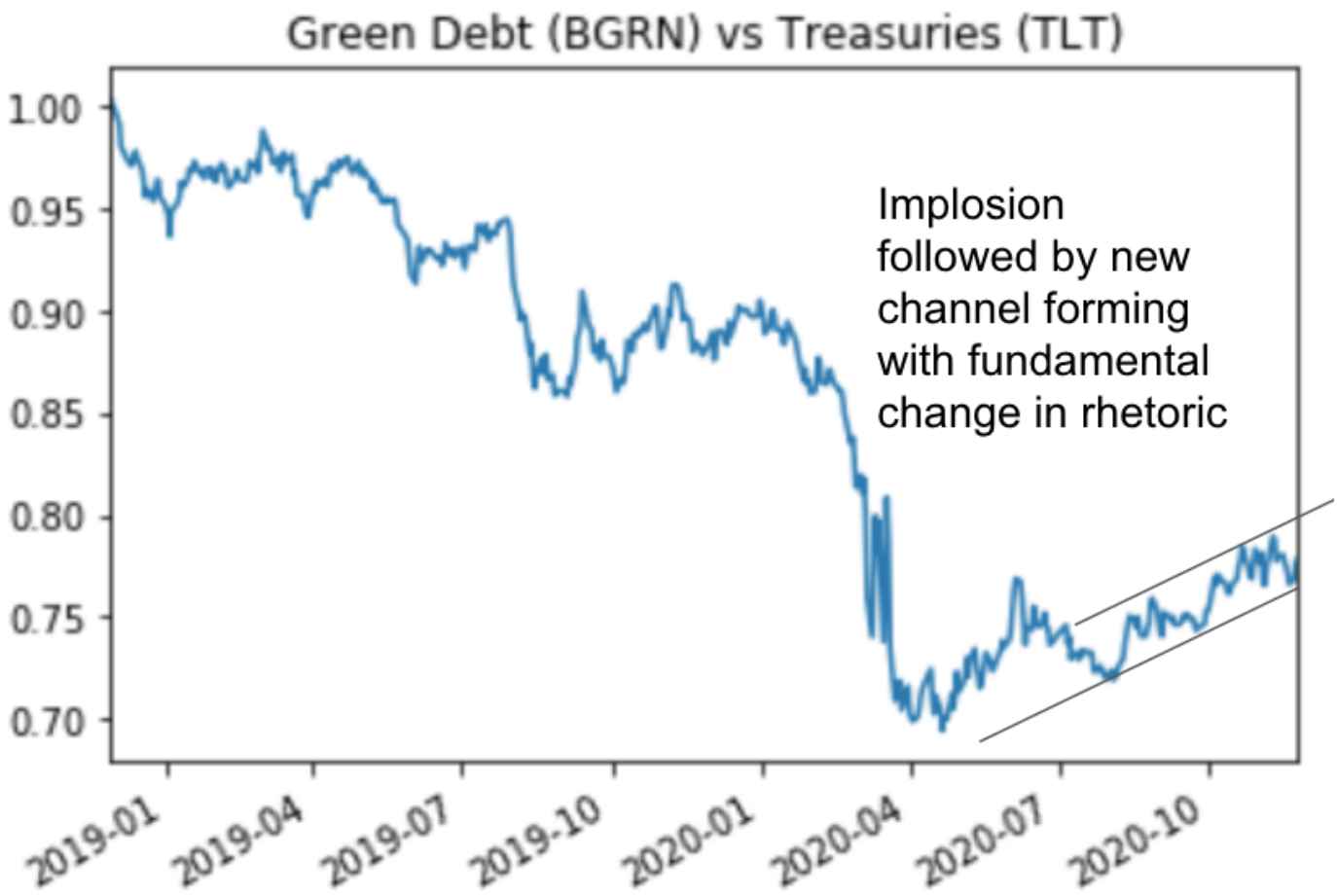
4/ The trend: collapse in US soft power, business friendly dynamics. The misconception: capital will stay in the US instead of moving internationally. The shock: RCEP signed without the US - free trade zone in Southeast Asia. The trade: long Singapore (EWS) short R2K. Chart:



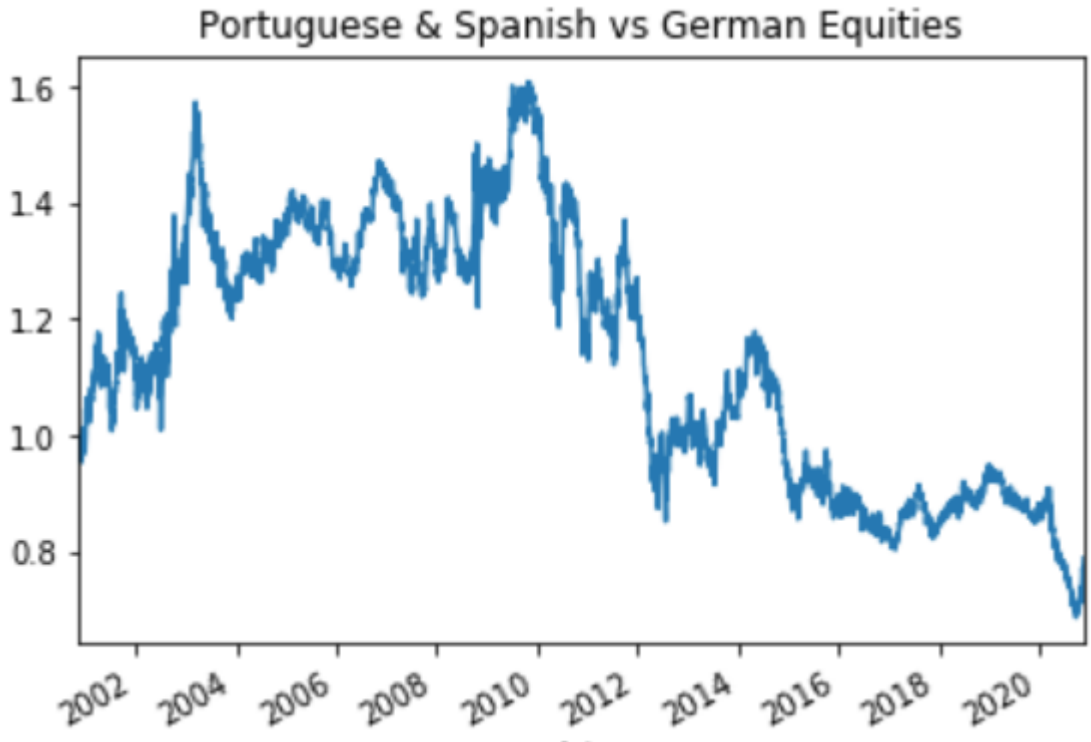
5/ The trend: obscene monetary debasement/fiscal expansion. The misconception: gold is the best expression. EM central banks have $ to buy more gold. The shock: electric vehicles driving nickel shortage. AstraZ failure = bad for EM. The trade: long Nickel hedged with gold.



6/ The trend: politicization of central banking. The misconceptions: central banks can endlessly absorb 30 year issuance. central banks can't buy whatever bonds they want. The shock: stimulus checks & green ECB statement. The trade: green short term debt vs US long term debt.



7/ The trend: true monetary unification of the Euro. The misconception: the Germans will profit from the ECB's climate shift and effective bailouts of the peripherals. The shock: massive peripheral debt purchases, discussion of Jubilee. The trade: Spain & Portugal vs Germany



8/ All trades have fundamentals, data, and a constant stream of news flow I can monitor 24/7. Most are in very liquid markets so I can get out fast. I'm constantly looking to be wrong. Soros said at his Google lecture that his most prized ability was changing his mind quickly.

9/ I'll leave you with George Soros' own words of the 8 parts of a boom bust process. Good luck trading.